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FISCAL IMPACT REPORT

SPONSOR:	Pinto	DATE TYPED:	02/08/00	HB	
SHORT TITLE:	Right-of-Way Negotiations			SB	339
				ANALYST:	Valdes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to NA

SOURCES OF INFORMATION

State Highway and Transportation Department

SUMMARY

Synopsis of Bill

This bill limits the authority of the State Highway and Transportation Department (SHTD) to enter into right-of-way agreements with tribes to a maximum term of twenty years. It also broadens the SHTD authority to enter into cooperative agreements with tribes.

Significant Issues

Under current law the term of rights-of-way acquired from tribes is not limited in duration so compensation need only be paid once. Under the constraints of this bill, SHTD would be required to re-negotiate right-of-way agreements and compensation every twenty years or abandon the right-of-way.

The twenty year cap on rights-of-way could also result in the state making extensive capital investment by constructing and maintaining the highways built on these rights-of-way, yet not receiving full value for this investment due to the expiration of the maximum twenty year term. Also, if right-of-way agreements cannot successfully be re-negotiated at the expiration of the proposed twenty year term, this could result in segments of highway being removed from the state highway system with the potential of loss of access to the traveling public or deteriorated maintenance.

FISCAL IMPLICATIONS

Twenty year maximum right-of-way agreements could increase the department's long-term cost of right-of-way acquisition and the administrative cost of re-negotiation.

ADMINISTRATIVE IMPLICATIONS

This bill would substantially impact SHTD's current administrative procedure for right-of-way acquisition by requiring renegotiation or abandonment of the right-of-way at the end of the twenty year period.

While SHTD currently has the authority to enter into cooperative agreements with tribes pursuant to the Joint Powers Act, this bill directly authorizing SHTD to enter into such agreements would enhance the department's authority and streamline the process for entering into joint powers agreements.

MFV/gm